



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

December 21, 2005

Ken Sagar, Treasurer
Iowa Democratic Party
5661 Fleur Drive
Des Moines, IA 50321

Response Due Date:
January 20, 2006

Identification Number: C00035600

Reference: April Monthly Report (3/1/05-3/31/05)

Dear Mr. Sagar:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Your Amended February Monthly Report (1/1/05-1/31/05), received 4/11/05, Amended March Monthly Report (2/1/05-2/28/05), received 4/11/05, and April Monthly Report (3/1/05-3/31/05) does not disclose any payments for salary or wages on Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §100.24 defines as Federal Election Activity, services provided by an employee of a State, district or local party committee who spends more than 25 percent of their time during that month on activities in connection with a Federal election. You are advised that payments for salaries and wages for employees who spend more than 25 percent of their compensated time in a given month on Federal Election Activity or activities in connection with a Federal election must be made with Federal funds only. Please provide clarification regarding the lack of payments for salary and wages disclosed by your committee.

-Your Amended February Monthly Report (1/1/05-1/31/05), received 4/11/05, Amended March Monthly Report (2/1/05-2/28/05), received 4/11/05, and April Monthly Report (3/1/05-3/31/05) discloses **limited** payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, **rent, utilities, salaries, telephone service,**

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office equipment and supplies. Each state, district or local party committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses (excluding salary) between the accounts according to a fixed percentage selected on Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each calendar year. Payments for salary and wages for employees who spend more than 25% of their compensated time on Federal election activities or on activities in connection with a Federal election must be made from a federal account and disclosed on a Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §106.7

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be provided during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

-Please clarify all expenditures made for "Flyer for Fundraising Event, Catering for FR Event, and Fundraising Letter" on Schedule B. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Your report disclosed certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. Other receipts from "State Income Tax Checkoff(s)" and Transfers to Affiliated Committees should be properly disclosed on a separate Schedule(s) A and B, respectively supporting Line(s) 17 and 22, respectively (not Lines 11(a)(i) and 29) of the Detailed Summary Page. Please refer to the instructions for each line when determining the proper categorization(s) for your next filing.

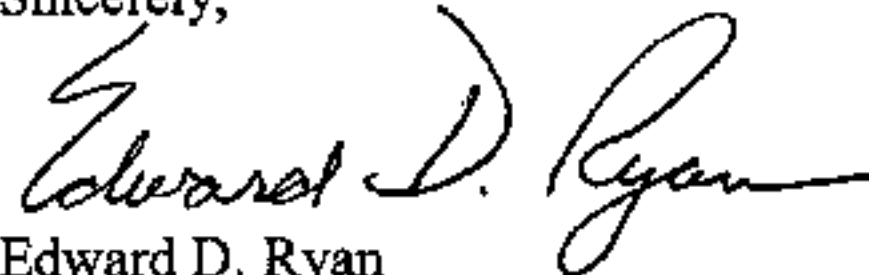
Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into

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consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1144.

Sincerely,



Edward D. Ryan
Campaign Finance Analyst
Reports Analysis Division

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